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As you are aware, it is election season. All of the House of Representatives, a third of the Senate, California's governor and state constitutional offices, 100 members of our legislature and numerous local offices are on the ballot. So where are we as a nation? What has been accomplished in the past few years and what is left to be done? Here is a Reader's Digest summary:

**The war on Islamic fascism:** There has not been a successful terrorist attack on U.S. soil in more than five years, and we have weakened al Qaeda as an operating force. The U.S. and our coalition partners have helped Iraq and Afghanistan establish democratic governments, and we have improved relations with other moderate nations in the region. We need to continue to work to eliminate al Qaeda and to help the governments in Afghanistan and Iraq become stable, which they are far from being. We have accomplished much but there is much yet to do to make us safe. That will take years, if not decades, and steady, resolute hands on the tiller of state.

**Illegal immigration:** Recently, Congress passed and the president signed bills that will build a border fence, increase the number of border guards and build more detention facilities. And the Homeland Security Department has replaced the catch-and-release policy with a catch-and-return policy. This should noticeably strengthen control of our southern border. However, 50% of the illegal immigrants in the U.S. came here legally, but overstayed their visas. So, as we continue to strengthen the border, we must deal with interior enforcement and how we are going to reform our legal immigration system to prevent visa overstays.

**Federal taxes and budget:** Just a few weeks ago, the federal government announced that this year's deficit is below \$250 billion. That is not a small number, but it is roughly half of what was predicted only a year ago and is historically low as a percentage of the GNP. The deficit has been dropping because spending growth has been limited to less than the growth in population plus inflation, at the same time economic growth fueled by the tax cuts has produced double-digit-percentage increases in tax revenues. If we continue both of these trends, we can eliminate the deficit in a few years. To do that, we should constitutionally limit our spending growth while permanently reducing the death tax and capital gains taxes (amongst others) to further economic growth and, therefore, revenue growth.

Energy: There is still a lot to do here. Some legislation was signed this year that will begin to help reduce our dependence on foreign oil. But bills to greatly expand production of known domestic oil reserves and to expand alternative source production and development failed to reach consensus in both Houses of Congress. We can greatly increase our domestic supply of oil and natural gas in a very environmentally conscious way in both Alaska and the Gulf of Mexico. And we can simultaneously be developing the infrastructure to have a number of alcohol, nuclear and other renewable or domestically sourced alternatives accessible to the public. We should do both with the goal of eliminating foreign oil imports in 20 years.

Entitlements: This is a time bomb slowly but inexorably ticking. If not reformed, Social Security, Medicare, Medicaid and other entitlement programs will eat up the equivalent of 100% of the current federal budget by 2050. To continue to fund these programs and the rest of the federal government as is, taxes would have to be at least doubled across the board. That is not an option. So, we must make these programs more efficient. We are doing a little bit every year in that regard. But it will take some bigger ideas. We need to begin to discuss them without the usual political demagoguery.